

Governmental Health Group of Rhode Island Minutes
Regular Meeting of the Board of Directors
Wednesday, May 27, 2009

A regular meeting of the Board of Directors was held on Wednesday, May 27, 2009, at The Rhode Island Interlocal Risk Management Trust, 501 Wampanoag Trail, Suite 301, East Providence, RI 02915.

Roll Call:
Board of Directors

Stacey Busby	Woonsocket Educ. Dept.	Present
Jane F. Correia	Bristol Warren RSD	Present
Lynne S. Dible	Town of Middletown	Present
Ned Draper	North Kingstown Schools	Present
Douglas Fiore	Tiverton Schools	Present
David Krugman	Town of Richmond	Present
Nancy Lalli	City of Newport	Excused
Steven Lindberg	N. Smithfield Schools	Excused
John Mainville	Town of Burrillville	Present
James McDonald	City of East Providence	Present
Robert Mushen	Town of Little Compton	Present
Randy Rossi	Town of Smithfield	Present
Christine Tague	Town of Portsmouth	Excused
Giovanna Venditti	Central Falls Schools	Present

Alternate Board Members

Richard Brown	City of East Providence	Excused
Lisa Cournoyer	Smithfield Schools	Excused
John Day	Town of Bristol	Present
Harold "Ron" Devine	Little Compton Schools	Excused
Michael E. Embury	Town of North Kingstown	Excused
David P. Faucher	Portsmouth Schools	Present
Frances Gallo	Central Falls Schools	Excused
James Goncalo	Town of Tiverton	Excused
Robin Kimatian	Burrillville Schools	Excused
Laura Kenyon	Town of Hopkinton	Present
Kathleen Lombardo	Woonsocket Educ. Dept.	Excused
Catherine McLeish	Middletown Schools	Excused
Ted Przybyla	Town of North Smithfield	Excused
JoAnne Santos	Town of Charlestown	Present
Michael Saunders	Newport Schools	Excused
Irene Scripsack	N. Smithfield Schools	Excused
Cheryl Silva	Town of Warren	Present

Others Present

Shawn J. Brown	Treasurer	Present
Maureen Maurer	Secretary	Present
Kevin Walsh	GBS Insurance Agency	Present
William Bjerke	GBS Insurance Agency	Present
Thomas Dwyer	RI Interlocal Risk Mgmt Trust	Present
Ronald Slovak	RI Interlocal Risk Mgmt Trust	Present
Stephanie Banister	RI Interlocal Risk Mgmt Trust	Present

Call to Order

President Faucher called the meeting to order at 9:34 a.m. Secretary Maurer reported that a quorum was present, with 11 of the 14 voting members in attendance.

Agenda

A motion was made by R. Rossi, seconded by R. Mushen, to accept the agenda. The motion was approved unanimously.

Secretary's Report

A motion was made by J. Correia, seconded by R. Rossi, to approve the minutes (previously e-mailed) for the April 22, 2009 regular meeting. The motion was approved unanimously.

(JoAnne Santos and Ned Draper arrived at 9:40 a.m.)

Treasurer's Report

S. Brown noted that the Members' Receivable as of April 30, 2009 was \$2,456,318. A motion was made by D. Krugman, seconded by J. Mainville, to accept the Treasurer's report (previously e-mailed) as presented. The motion was approved unanimously.

Warrants

Discussion about the services of the GHGRI lobbyist, the Mayforth Group, led to a brief discussion about a legislative bill concerning the impact of separately rating the school departments from cities and towns. A motion was made by J. Correia, seconded by R. Rossi, to approve the June Warrant Summary (previously e-mailed) in the amount of \$412,657.10. The motion was approved unanimously.

Self-Funded Cost vs. Funding Analysis/ High Cost Claim Report

K. Walsh reviewed the Self-Funded Cost vs. Funding analysis for the policy period 7/1/08 – 6/30/09 (previously emailed), for which the overall cost/funding ratio was at

97% for the ten months of claims activity as of the end of April 2009. It was a difficult month, because the total actual paid claims (\$7.9 million) exceeded the expected claims by \$1.3 million. There were several new large claims at 50% of specific.

OLD BUSINESS

Embedded Employees Legislation (S0781 & H5687)

The House approved H5687, and S0781 is scheduled for a Senate vote.

Update on Initiative to Merge with RI Interlocal Trust

Board members will vote on the “Letter of Understanding: Trust Services to GHGRI July 1, 2009 through December 31, 2009” at the next the regular meeting on June 24, 2009. Once that is approved, then the Board will move forward with the Joint Committee in exploring the details of the merger.

NEW BUSINESS

Amendment to Joint Purchase Agreement Article 3E

The amendment to the Joint Purchase Agreement Article 3E, which was mailed to all town and school district CEOs at the end of April, formalizes the new surplus allocation policy. A motion was made by D. Krugman, seconded by R. Rossi, to approve the amendment to the Joint Purchase Agreement, Article 3E. The motion passed unanimously.

Proposal to Affiliate with WB Community Health

Bob Dooley, executive director of West Bay Community Health (WBCH), has approached the GHGRI about exploring the possibility of merging WBCH and GHGRI into a single organization, with a combined total of 18,000 subscribers. While the benefits gained from economy of scale for rates and re-insurance might be attractive, D. Faucher was quick to point out that such an alignment did not make sense, since the risk-sharing model of GHGRI is so different from the stand alone model of WBCH. A motion was made by J. Mainville, seconded by D. Fiore, to oppose such a merger, and to inform WBCH that GHGRI is not interested in pursuing a merger with them (and advise them that if they are interested, they should pursue a merger with the Trust.) The motion passed 11-1, with R. Rossi casting the single vote in opposition.

Ratification of Amendment to New Member Policy

A motion was made by R. Rossi, seconded by R. Mushen, to ratify the Amendment to the New Member Policy that reflects the new equity allocation policy, keeps the capital contribution at \$16.30, and states that re-insurance is held exclusively with Blue Cross Blue Shield. The motion passed unanimously.

FY2009-2010 Stop Loss Insurance Contract Award

After reviewing a handout from BCBSRI on the Stop-Loss Proposal for July 1, 2009 – June 30, 2010, and an e-mail with recommendations from Bill Thompson of Milliman, a motion was made by R. Rossi, seconded by J. Correia, to increase the deductible from \$450,000 to \$550,000. The motion passed unanimously.

Adjournment

A motion to adjourn at 11:19 a.m. was made by R. Rossi, seconded by R. Mushen. The motion was approved unanimously.

The next regular meeting will be held on Wednesday, June 24, 2009, at 9:30 a.m. at The Rhode Island Interlocal Risk Management Trust, 501 Wampanoag Trail, Suite 301, East Providence, RI 02915.

Respectfully submitted,

Maureen D. Maurer, Secretary